

Full Evaluation Tax Expenditures
Intent, Goals, and Beneficiaries

Prepared by the Office of Program Evaluation and Government Accountability

Count	Red Book #	Tax Type	Expenditure Type	Expenditure Program Name	Direct Recipient / Other Beneficiaries	Intent / Goals	Source - Intent / Goals^	Brief Description	Statutory Cite: Title 36
1	1.001	Property	Reimbursement	Reimbursement For Business Equipment Tax Exemption to Municipalities (BETE)	Direct - Municipalities providing business property tax exemptions Other - Businesses	Intent - To encourage growth of capital investment in the State by overcoming the disincentive created by the high cost of owning business property. Goal - To encourage capital investment in business property.	Statute	Reimbursement to municipalities of revenue losses, with limitations, due to the property tax exemption for qualified business equipment.	Chapter 105, subc. 4-C
2	1.002	Property	Reimbursement	Reimbursement for Taxes Paid on Certain Business Property (BETR)	Direct - Businesses	Intent - To encourage growth of capital investment in the State by overcoming the disincentive created by the high cost of owning business property. Goal - To encourage capital investment in business property.	Statute	Reimbursement of property tax paid on qualified business property, with limitations. FY15 tax loss shows a decrease from prior years resulting from recently enacted legislation.	Chapter 915
3	1.004	Income	Deduction	Deduction for Affordable Housing*	Direct - Developers/owners of multifamily affordable housing Other - Individuals eligible for affordable housing	Goal - To retain existing affordable housing when real estate transactions occur.	OPEGA Research	Deduction for income resulting from sale of certified multifamily affordable housing properties. According to the Maine State Housing Authority, they have only received two applications for this credit since it was enacted.	§5122.2.Z
4	1.005	Income	Deduction	Deduction for Social Security Benefits Taxable at Federal Level	Direct - Individuals (Residents) collecting Social Security and Railroad Benefits	Goal - To provide tax relief for certain retirees receiving public retirement benefits.	OPEGA Interpretation	Deduction for social security benefits and railroad retirement benefits.	§5122.2.C
5	1.007	Income	Deduction	Deduction for Premiums Paid for Long-Term Health Care Insurance	Direct - Individuals (Residents)	Goal - To encourage individuals to purchase long-term care health insurance.	OPEGA Interpretation	Deduction for premiums spent for qualified long-term care insurance contracts.	§5122.2.L §5122.2.T
6	1.008	Income	Deduction	Deduction for Pension Income & IRA Distributions	Direct - Individuals (Residents) receiving certain pension benefits and IRA distributions	Goal - To provide tax relief to certain retirees receiving private retirement benefits.	OPEGA Interpretation	Deduction for pension benefits received under employee retirement plans and taxable distributions from individual retirement accounts, up to \$10,000.	§5122.2.M
7	1.009	Income	Deduction	Deduction for Interest and Dividends on Maine State and Local Securities - Individual Income Tax	Direct - Individuals (Residents) investing in State & Local securities Other - State and Local governments	Goal - To encourage individual investment in State and Local securities.	OPEGA Interpretation	Individual income tax deduction for interest or dividends on securities issued by the State and its political subdivisions.	§5122.2.N
8	1.011	Income	Deduction	Deduction For Contributions To IRC 529 Qualified Tuition Plans	Direct - Individuals (Residents) investing in qualified tuition programs Other - Students	Goal - To encourage saving for higher education through investment in qualified tuition programs.	OPEGA Interpretation	Deduction for contributions to qualified tuition programs under Section 529 of the Internal Revenue Code (529 plans) up to \$250 per beneficiary, with income limitations.	§5122.2.Y
9	1.019	Income	Deduction	Deduction for Interest and Dividends on U.S., Maine State and Local Securities	Direct - Corporations investing in US, State and Local securities Other - Federal, State and Local governments	Goal - To encourage corporate investment in US, State and Local securities.	OPEGA Interpretation	Corporate income tax deduction for interest or dividends on securities issued by the State and its political subdivisions.	§5200-A.2.A §5200-A.2.K

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10	1.021	Income	Credit	Jobs and Investment Tax Credit	Direct - Businesses making an investment of at least \$5 million that creates at least 100 new jobs Other - Employees of participating businesses	Intent - To encourage growth in major industry in the State and the creation of quality jobs. Goal - To encourage capital investments in business property of at least \$5 million that create at least 100 new jobs.	Statute	Tax credit for qualified investment of at least \$5,000,000 in property within the State and creation of at least 100 new jobs (with a designated level of wages, health and retirement benefits), with limitations.	§5215
11	1.022	Income	Credit	Seed Capital Investment Tax Credit	Direct - Qualified investors in certain types of businesses Other - Certain types of businesses	Intent - To increase the availability of risk equity capital to enterprises that have the potential for rapid growth and to bring capital into the State; to encourage growth of new and existing small businesses to increase job opportunities for Maine residents, spending in the State, and municipal tax bases; and to help to develop export markets for Maine products. Goal - To increase availability of investment and risk equity capital for eligible businesses.	Statute	Tax credit of up to 50% for capital investment in eligible businesses (including manufacturing, value-added natural resource enterprises, export businesses, advanced technology, and visual media production), with limitations.	§5216-B
12	1.027	Income	Credit	Credit for Educational Opportunity	Direct - Qualifying graduates of Maine colleges and universities employed in Maine and making student loan payments and businesses making loan payments on behalf of qualifying employees	Intent - To promote economic opportunity by ensuring access to training and higher education; to bring more and higher-paying jobs to the State by increasing the skill level of the State's workforce; to offer educational opportunity and retraining to individuals impacted by job loss, workplace injury, disability or other hardship; and to keep young people in the State through incentives for educational opportunity and creation of more high-paying jobs. Goals - To retain graduates of Maine colleges and universities in the Maine workforce.	Statute	Tax credit for certain educational loan payments made by participants in the Job Creation Through Educational Opportunity Program and their employers; participants must be residents who remain in Maine after obtaining a degree here.	§5217-D
13	1.028	Income	Credit	Income Tax Credit for Child and Dependent Care Expense	Direct - Individuals incurring child and dependent care expenses	Goal - To provide tax relief to working parents and others paying for child and dependent care.	OPEGA Interpretation	Tax credit for child and dependent care expenses in the amount of 25% of the federal tax credit; the credit doubles for expenses incurred for quality child care services. Maximum of \$500.	§5218
14	1.031	Income	Credit	Research Expense Tax Credit	Direct - Businesses investing in research and development	Intent - To encourage business investment in research and development, in order to foster innovation and promote long-term economic growth.	OPEGA Research	Tax credit for qualified research expenses associated with certain technological and experimental research, with limitations.	§5219-K

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15	1.033	Income	Credit	High-Technology Investment Tax Credit	Direct - Individuals or businesses purchasing or leasing eligible equipment for use in high-technology activity; lessors of such equipment Other - Individuals using Internet access services and advanced telecommunications services	Intent - To encourage development in the high-technology industry, including computer software and equipment design and production, and provision of Internet access and advanced telecommunications services.	Statute; Legislative History (Bill Summary)	Tax credit for costs of eligible equipment used in certain high technology activities, including the design and production of computer software and equipment, and the provision of Internet and telecommunications services, with limitations.	§5219-M
16	1.036	Income	Credit	Credit for Rehabilitation of Historic Properties	Direct - Taxpayers who invest in the rehabilitation of Historic Properties Other - Municipalities where projects are located (new jobs, increased property tax valuation); construction industry	Intent - To support redevelopment of historic properties and increased economic activity. Goals - To promote historic preservation; to create jobs (construction industry and permanent jobs in restored property); to redevelop "downtown" properties for business and affordable housing; to increase economic activity in local communities.	Legislative History (Public Testimony, Legislative Record)	Income tax credit for expenditures in rehabilitation of certified historic properties, with limitations. Fiscal impact is expected to increase \$1.4 million in FY17 and perhaps more in future years as a result of recently enacted legislation.	§5219-BB
17	1.037	Income	Credit	Earned Income Credit	Direct - Taxpayers with low to moderate incomes	Intent - To assist in encouraging people to obtain employment, reducing the unemployment rate and reducing the welfare rolls (federal EITC).	OPEGA Research	Tax credit equal to 4% of the federal earned income tax credit (EITC) received that year; EITC is a credit for individuals who have earned income under a certain limit.	§5219-S
19	1.040	Income	Credit	Tax Benefits for Media Production Companies	Direct - Visual media production companies Other - Maine film industry and its employees; communities where productions are located	Intent - To grow the visual media production industry by attracting productions to Maine. Goal - To encourage media production companies to locate film productions in Maine.	Legislative History (Bill Summary)	Tax credit (5% of nonwage production expenses, if >\$75,000) and reimbursement (12% of production wages) for certified productions of visual media production companies.	§5219-Y §6902
20	1.041	Income	Credit	Dental Care Access Credit	Direct - Dentists practicing in underserved areas of the state Other - Individuals in need of dental care in underserved areas of the State	Intent - To preserve public health and safety. Goal - To encourage dentists to locate in areas of the State with a shortage of dental practitioners.	Legislative History (Public Law)	Tax credit (not to exceed \$15,000) for a limited number of licensed dentists who agree to practice in underserved areas of the state for at least 5 years and are certified eligible by the State's oral health program; ends in 2020.	§5219-DD
21	1.042	Income	Credit	New Markets Capital Investment Credit	Direct - Qualified investors in eligible businesses in low-income communities Other - Eligible businesses in low-income communities; qualified community development entities	Intent - To promote economic development by encouraging major investments in qualified businesses and developments located in economically distressed areas of the State; to preserve jobs and make the State more competitive in the attraction of investment capital. Goal - To encourage major new investments in qualified businesses in low-income communities in the State.	Statute	Tax credits of up to 39% of a project's total cost for qualified equity investments in low-income community businesses made via a community development entity, with limitations.	§5219-HH
22	1.043	Income	Credit	Credit for Wellness Programs	Direct - Small Businesses (< 20 employees) Other - Employees of small businesses	Goal - To encourage small businesses to provide employee wellness programs.	OPEGA Interpretation	Tax credit to employers with 20 or fewer employees for expenditures on wellness programs up to \$2,000.	§5219-FF

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23	1.044	Income	Credit	Maine Fishery Infrastructure Investment Tax Credit	Direct - Investors in public fishery infrastructure projects	Goal - To encourage investment in and contributions to infrastructure improvements and facilities that enhance the State's publicly accessible fisheries.	Statute	Tax credit for up to 50% of investment in eligible fishery infrastructure projects to benefit the public; requires tax credit certificate from the Department of Inland Fisheries and Wildlife.	§5216-D
24	1.045	Income	Credit	Innovation Finance Credit*	Direct - Maine Public Employees Retirement System Other - Selected venture capital funds; innovative businesses	Intent - To increase available venture capital for innovative businesses. Goal - To encourage MainePERS to invest in high quality venture capital funds that evidence a commitment to seeking investments in the State in the targeted technology sectors and the ability to produce favorable returns.	Statute	Refundable tax credits may be issued by the Finance Authority of Maine to MainePERS for capital losses associated with venture capital fund investments made by MainePERS. Sunsets in 2029. According to FAME, this credit has never been used.	§5219-EE
25	1.046	Income	Reimbursement	Employment Tax Increment Financing, including certain Job Increment Financing Programs	Direct - Businesses locating or expanding in economically distressed areas of the State that create new quality jobs Other - Job seekers	Intent - To encourage the creation of net new quality jobs in this State, improve and broaden the tax base, and improve the general economy of the State. Goal - To encourage location of new businesses or expansion of existing businesses, and to encourage the creation of new quality jobs, particularly in economically distressed areas of the State.	Statute	Reimbursement to certain businesses of income tax attributed to qualified employees (those receiving a designated level of wages, health and retirement benefits), subject to limitations including unemployment rates in the area; ends in 2028.	Chapter 917
26	1.047	Income	Credit	Shipbuilding Facility Credit*	Direct - Shipbuilding businesses investing over \$200 million Other - Employees of participating businesses	Intent - To encourage major investments in shipbuilding facilities in the State in order to ensure the long-term survival of the shipbuilding industry in the State; to preserve jobs provided by the industry; to make the state more competitive in the shipbuilding industry and improve the State economy. Goal - To encourage major investment in shipbuilding facilities in the State; to retain jobs in ship-building facilities in the State.	Statute	Tax credit against withholding taxes for owners of shipbuilding facilities with at least 6,500 employees, who invest at least \$200 million related to construction, improvement, modernization or expansion of a 10 acre facility, with limitations. According to the Maine Department of Economic and Community Development, only one business has received this tax credit since it was enacted.	Chapter 919
27	2.042	Sales & Use	Exemption	New Machinery for Experimental Research	Direct - Businesses engaging in certain research and development activities	Intent - To encourage development of the high technology industry. Goal - To encourage investment in certain research and development activities; to encourage investment in biotechnology applications.	Legislative History (Bill Summary)	Sales of machinery and equipment for biotechnology research.	§1760.32

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28	2.044	Sales & Use	Exemption	Sales Through Coin Operated Vending Machines	Direct - Businesses with >50% of gross receipts from the retail sale of tangible personal property derived from sales through vending machines. Other - Persons buying certain products in vending machines	Goal - To lower administrative burden on vending machine companies.	Maine Revenue Services, Maine State Tax Expenditure Report (Red Book)	Sales of certain products through vending machines by retailers who make the majority of their sales via vending machines.	\$1760.34
29	2.059	Sales & Use	Exemption	Railroad Track Materials	Direct - Businesses that purchase and install railroad track materials	Goal - To encourage investment in railroad infrastructure.	Legislative History (Legislative Record)	Sales of railroad track materials for installation on railroad lines within the State.	\$1760.52
30	2.067	Sales & Use	Exemption	Construction Contracts with Exempt Organizations: Sales of Tangible Personal Property*	Direct - Contractors working for exempt organizations Other - Sales tax exempt organizations or government agencies	Goal - Public policy goal not to tax non-profit organizations or government agencies.	OPEGA Interpretation	Sales of tangible personal property to contractors for incorporation in real property for sale to any sales tax exempt organization or government agency.	\$1760.61
31	2.107	Sales & Use	Refund	Refund of Sales Tax on Purchases of Parts and Supplies for Windjammers	Direct - Windjammer cruise businesses Other - Tourists and tourism industry	Intent - To support a specific type of business (windjammers offering overnight passenger cruises) with historical significance and an important role in the State's economy, and to attract visitors.	Legislative History (Legislator Testimony)	Refund of sales tax paid on purchases of parts and supplies for use for operation, repair or maintenance of a windjammer providing commercial cruises.	\$2020
32	2.126	Service Provider	Exemption	Basic Cable & Satellite Television Service	Direct - Providers of basic cable and satellite television service Other - Consumers of basic cable and satellite television service	Intent / Goal - Unknown	None Identified	Sale of the minimum service that can be purchased from a cable or satellite television supplier.	\$2551.2
33	2.127	Service Provider	Exemption	Certain Telecommunications Services	Direct - Providers of interstate and international telecommunications services Other - Consumers of interstate and international telecommunications services	Intent / Goal - Unknown	None Identified	Sales of interstate and international telecommunications services.	\$2557.33 \$2557.34
34	2.136	Other	Exemption	Partial Cigarette Stamp Tax Exemption for Licensed Distributors	Direct - Cigarette distributors Other - State (receives assistance in administering the tax)	Intent - To facilitate enforcement and implementation of the cigarette tax. Goal - To offset the cost to cigarette distributors of affixing stamps to cigarette packages.	Legislative History (Legislative Record)	Allows licensed cigarette distributors to purchase cigarette stamps with a face value of \$2 at a discount of 1.15%. (General Fund)	\$4366-A.2
35	2.039 2.040	Sales & Use	Exemption	Air & Water Pollution Control Facilities**	Direct - Purchasers of air and water pollution control facilities and related materials and equipment	Goal - To encourage investment in air and water pollution control facilities; to facilitate compliance with environmental regulations.	OPEGA Interpretation	Sales of certified air and water pollution control facilities and parts or accessories, construction materials, and chemicals or supplies of these facilities.	\$1760.29 \$1760.30
36	NA	Service Provider	Exemption	Construction Contracts with Exempt Organizations: Sales of Fabrication Service*	Direct - Contractors working for exempt organizations Other - Sales tax exempt organizations or government agencies	Goal - Public policy goal not to tax non-profit organizations or government agencies.	OPEGA Interpretation	Sales of fabrication services to contractors for incorporation in real property for sale to any sales tax exempt organization or government agency.	\$2557.31

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37	NA (new)	Property	Credit	Property Tax Fairness Credit	Direct - Seniors and low-income Maine residents	Intent - To provide property tax relief to seniors and low-income Maine residents.	Legislative History (Bill Summary)	Property tax credit for Maine residents based on a formula, not to exceed \$600 for those under 65 years of age, or \$900 for those over 65, with income limitations.	\$5219-KK
38	1.038 2.090 2.091	Sales & Use Income	Credit, Exemption, Reimbursement	Pine Tree Development Zones - Income Tax Credit, Sales Tax Exemption (Electricity & Tangible Personal Property), and Sales & Use Tax Reimbursement (Certain Tangible Personal Property)**	Direct - Businesses in Pine Tree Development Zones that add new qualifying jobs in certain industries Other - Workers and job seekers	Intent - To encourage development in economically distressed areas of the State in order to provide new employment opportunities; improve existing employment opportunities; improve and broaden the tax base; and improve the general economy of the State. Goal - To provide new qualifying employment opportunities in certain industries in economically distressed areas.	Statute	Reimbursement of certain sales & use taxes; exemption from certain sales taxes; and credits for business income tax, with limitations.	\$2016 \$1760.87 \$5219-W
39	2.095	Sales & Use	Exemption	Sales of Certain Qualified Snowmobile Trail Grooming Equipment*	Direct - Nonprofit Snowmobile clubs	Goal - To encourage maintenance of Maine's snowmobile trails, and to support and encourage nonprofit organizations to do so.	OPEGA Interpretation	Sales of snowmobile trail grooming equipment to incorporated nonprofit snowmobile clubs.	\$1760.9

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